

THE PROVISION OF AFFORDABLE HOUSING

REPORT OF THE REVIEW GROUP

NOVEMBER 2006

Members of the Review Group

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Acknowledgements

The Review Group would like to express its thanks and appreciation to all those who have contributed to this Review. The valuable input and assistance received throughout the Review have greatly contributed to the work undertaken.

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CHAIRMAN'S INTRODUCTION

We are all familiar with the saying "*an Englishman's home is his castle*", but what about the people who face difficulties in securing an affordable home?

The housing market in Sedgefield Borough has changed considerably over the last few years, with an increasing gap between incomes and house prices and a growing demand for social housing.

The mounting shortage of affordable housing in the Borough means that local people often cannot buy a home in the areas in which they wish to live - very often the towns, villages and communities where they have grown up, have established family links and wish to settle. A failure to address this situation can have severe consequences, with families, young people and local employees having to move out of the Borough to seek more affordable housing elsewhere.

Sedgefield Borough Council has recognised the difficulties that people face in these circumstances and is committed to securing an adequate provision of affordable housing, which is so essential to sustain and develop the strong communities for which the Council strives.

In undertaking this Review, my colleagues and I have sought to better understand the difficulties of securing affordable housing, a challenge for individuals throughout the country. At the same time, we have explored how affordable housing can be successfully provided throughout the Borough and the key role the Borough Council can play in contributing to this goal.

It has been a very interesting journey and I look forward to the developments which follow the Review Group's recommendations. I hope the work undertaken is a first step towards ensuring that we can meet the housing needs of the people of the area, both now and in the future, and we can all enjoy the benefits of living in Sedgefield Borough.

Councillor J. Wayman J.P.

Chairman

The Provision of Affordable Housing Review Group

INTRODUCTION

Membership of the Review Group

Councillor J. Wayman J.P. (Chairman)
Councillor W. M. Blenkinsopp
Councillor J. E. Higgin
Councillor J. P. Moran
Mrs. M. Thomson (Co-opted Tenant Representative)

Purpose of the Review

The Review seeks to identify how the Council can:

- Define affordable housing at a local level.
- Identify any potential need for affordable housing in the Borough.
- Examine the partnership and policy options to help deliver suitable levels of affordable housing in the Borough.

Contribution to the Council's Ambitions and Community Outcomes

The Council's ambitions and community outcomes are shown in its Annual Corporate Plan. The Review contributes towards the Council's ambition to create a Borough with strong communities and the community outcome of securing quality affordable housing.

Process/Methodology

The Review Group gathered information and evidence as follows:

1. The Review Group has met on several occasions between May and November 2006
2. Attendance by the following to provide information, undertake presentations and respond to questions from the Review Group:
 - Ian Brown, Housing Strategy Manager
 - Chris Myers, Forward Planning Manager
 - Rachel Allum, Senior Development Control Officer
 - Michelle Robinson, Senior Policy Officer
 - Councillor Bill Waters, Portfolio Holder for Housing

3. Analysis of:
 - A review of national planning policy and development of a new Supplementary Planning Document for Affordable Housing, prepared on behalf of Sedgefield Borough Council by Jessica Annan, Niall Kelly, Paul McDonald, Mark O'Sullivan and James Renwick; University of Newcastle upon Tyne, May 2006
 - 2006 Annual Halifax Key Worker Housing Review
 - Local house price data
 - Local income data
 - Housing demand information
4. A site visit to Tees Valley Housing, a registered social landlord, to view a number of different affordable housing developments
5. Interview with an applicant to the Authority's first affordable housing scheme in Sedgefield, to gain the perspective of a first-time buyer

MAIN FINDINGS

Background

The housing market in Sedgefield Borough has changed significantly over the last 3 years, with rapid increases in house prices and increased demand for social housing. The provision of sustainable communities, with a mix of tenure and house types, is a key strategic issue for the Borough.

At the time of the Review, there was no standard definition of affordable housing available to local authorities. However, with the publication of Planning Policy Statement 3 (PPS3) in November 2006, there is now an agreed national definition.

The Government's definition of affordable housing, contained in PPS3, states that affordable housing is non-market housing provided to those whose needs are not met by the market. It can include social-rented and intermediate housing, for example shared equity, and should normally meet the needs of current and future eligible households, for example through restrictions on price, eligibility and resale. It includes private sector and unsubsidised homes that meet the definition.

It is up to each local authority to determine what affordable housing is and local definitions will inevitably vary, influenced by the needs and circumstances of a particular area.

NATIONAL CONTEXT

Until recently, affordable housing was considered an issue primarily facing other parts of the country, particularly the South East and South West of England, national parks and rural communities.

However, the UK population has increased by 7% since 1971, from 55.9 million to 59.8 million, growing more rapidly in recent years. Household formation, based on the 2001 Census, has been estimated at 179,000 households per annum in England. However, only 134,000 extra houses were built in 2002.

The UK has experienced a long-term upward trend in real house prices, with just under a 500% real house price rise over the last 20 years. This has created problems of affordability and impacted on economic performance.

In order to deliver a trend in real house prices of 1.8%, an additional 70,000 houses each year in England might be required. To bring the real price trend in line with the EU average of 1.1%, an extra 120,000 houses each year might be required.

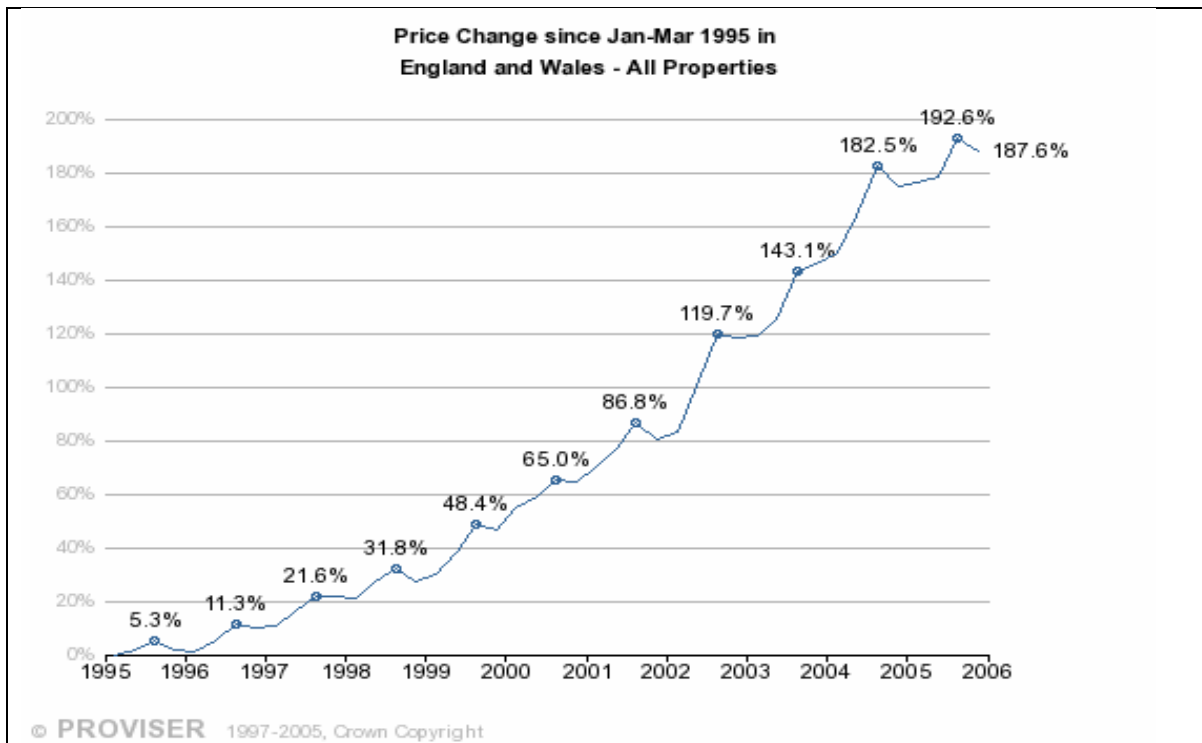


Table 1: House Price Change since Jan-March 1995 in England and Wales

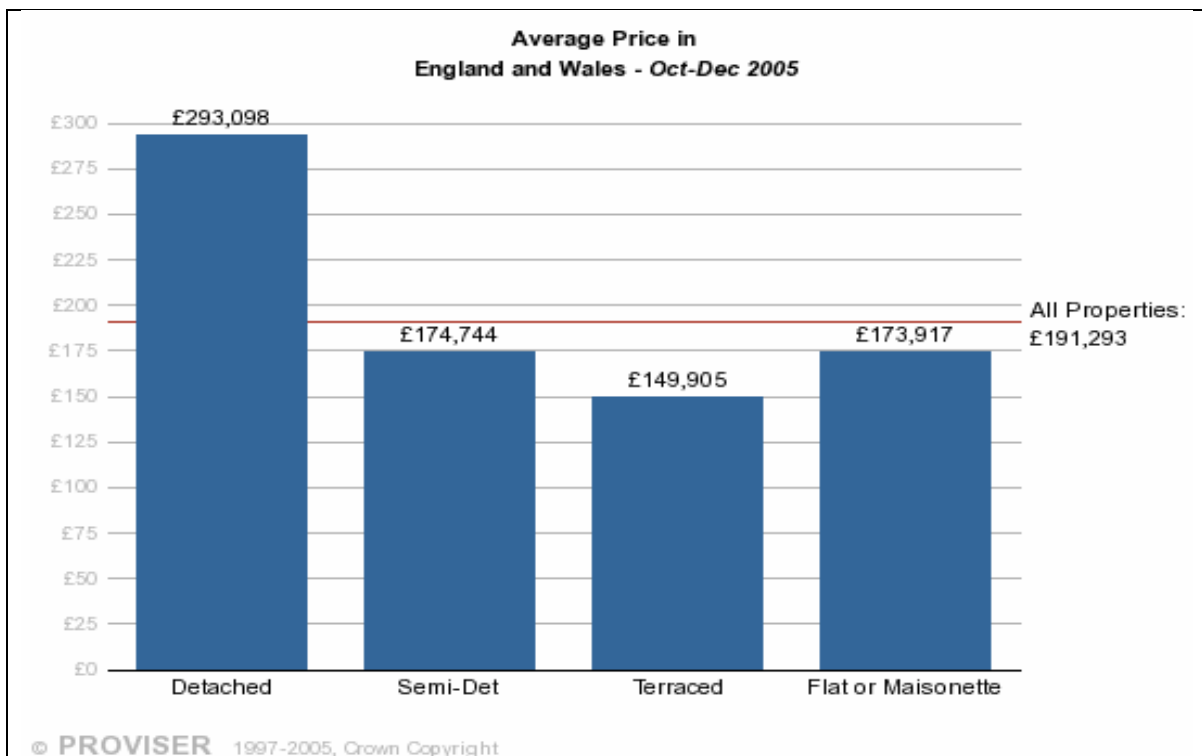


Table 2: Average House Price in England and Wales - Oct-December 2005

Government concerns about the impact of house price growth led to the commissioning of the Barker Review of Housing Supply, *Delivering stability: securing our future housing needs*, the final report of which was published in 2004.

This review of housing supply showed that the housing market is not responding sufficiently to meet the needs of the country's ageing and growing population, with an ever-increasing gap between supply and demand. It found that over the last 30 years house building rates have halved, whilst over the same period demand for new homes has increased by a third.

In its response to the Review, the Government announced its intention to increase the rate of housing delivery in England from 150,000 homes per year in 2005 to 200,000 per year by 2016.

The subsequent Barker Review of Land Use Planning, which reported in late 2006, highlighted the role planning needs to play to deliver sustainable economic development in the context of the pressures of a growing population, rising incomes, changing demographics, climate change and the competitive challenges of rapid changes in the global economy.

REGIONAL CONTEXT

Two key strategic documents will influence future housing provision across the Borough.

- **Regional Housing Strategy**

This outlined the emerging issue of affordability across the region, whilst recognising that low demand exists in a number of areas, including former County Durham Coalfield areas.

- **Regional Spatial Strategy**

The Regional Spatial Strategy is an important planning document for the North East. It will determine future housing provision across the Region and the Borough.

LOCAL CONTEXT

Sedgefield Borough's Community Strategy and Corporate Plan identify "strong communities" as a key theme. Housing has a major role to play in delivering this aspiration. This issue is reinforced in the Council's Housing Strategy 2006.

A number of key issues face the Borough, including a strong demand for a limited and reducing stock of Council properties and an ageing population with significant health problems.

There are emerging issues of affordability in many communities and low demand/ failing housing markets in some areas. At the same time, the Borough has an over-supply of older private sector terraced housing, representing 50% of housing stock, compared to 25% nationally. The growth of the private rented sector also has a negative impact on some communities.

The population of Sedgefield Borough rose by 6% between 1982 and 2002 to 87,300, comprising 37,514 households. 35% of people live in the most deprived Super Output Areas nationally.

The average gross weekly pay for a full-time worker resident in Sedgefield is around £376.30, which compares unfavourably with the North East average of £393.60 per week and the national average of £449.60.

In April 2006 Sedgefield Borough's housing stock of 40,740 properties comprised:

29,137	owner-occupied
8,803	Council properties
1,596	registered social landlord
1,204	private rented

736 properties had been empty for more than six months.

As at April 2006, the Borough Council's housing stock of nearly 9,000 properties was continuing to decline, as a result of the Right to Buy Scheme. The annual tenancy turnover was 858, but this has been reducing as a percentage over the last five years. At the same time, there were 2,941 applicants on the housing register, as follows:

378	1 bed properties
1,984	2 bed properties
508	3 bed properties
71	more than 3 bed properties

Policy and Legal Framework

The Review Group considered the policy context and the planning and legal tools available to the Borough Council to provide affordable housing.

NATIONAL PLANNING POLICY

In identifying a need for affordable housing, three documents are important:

- Planning Policy Guidance Note 3 (2000)
- Draft Planning Policy Statement 3 (2005) - This was subsequently replaced by the publication of Planning Policy Statement 3 (2006)
- Circular 6/98 - Planning and Affordable Housing (1998)

It should be noted that, following the conclusion of the Review, PPG3 and Circular 6/98 were cancelled in November 2006 with the publication of Planning Policy Statement 3 (PPS3).

Planning Policy Guidance Note 3 (PPG3)

Affordable housing is a material planning consideration, requiring the local authority to demonstrate a need and ensure any affordable housing scheme satisfies local needs.

The Housing Needs Study will be used to demonstrate need. It is therefore important to ensure that this study is updated at an appropriate time to reflect changes in the housing market in the Borough and provide a valid evidence-base.

The guidance suggests local policies should:

- Define what is affordable in terms of income levels, property prices and rent levels.
- Indicate how many affordable homes should be developed in the area, taking account of different household characteristics.
- Identify the sites where affordable homes will be provided and the level of provision.

Planning Policy Statement 3 (2006) (PPS3)

PPS3, and its predecessor Draft PPS3 (2005), defines affordable housing as social rented and intermediate housing, but excludes low cost housing.

The most significant change from previous guidance is the threshold reduction, allowing need to be applied to sites of 15 or more dwellings (rather than 25 dwellings under the old guidance), enabling local authorities to provide affordable housing.

In addition, a rural exceptions policy can be applied to enable local authorities to bring forward smaller sites in rural areas.

A sound evidence-base for the provision of affordable housing is needed, requiring the preparation of a sub-regional housing market assessment to determine need and guide the location of affordable provision.

Circular 6/98

Circular 6/98 is aimed at creating a balance and reinforces the Government's position that affordable homes can only be required on sites that are large enough to accommodate a reasonable mix of house types and sizes. It also specifies that provision should be based upon a clear and up-to-date assessment of local need.

Circular 6/98 states that local planning authorities should use the following criteria to assess suitability:

- Site size, suitability and economics of provision:
 - Proximity of local services, facilities and public transport.
 - Costs associated with development of the site.
 - Whether affordable provision prejudices realisation of other planning objectives.
- The need to achieve a successful outcome:
 - Incorporate a mix of affordable housing types, such as family and smaller households.
 - Determine number of dwellings to be provided and how these would be implemented and subsequently managed.

REGIONAL PLANNING POLICY

Regional Planning Guidance Note 1 (2002)

Regional Planning Guidance Note 1, Policy H7, is important in terms of regional planning policy and needs to be taken into account when determining applications.

The guidance lists five criteria:

- Establish need through the Housing Needs Survey.
- Identify type and size of properties needed.
- Locate dwellings close to public transport.
- Clearly identify mix of dwellings required.
- Take account of rural as well as urban need.

Draft Regional Spatial Strategy (2005)

The Draft Regional Spatial Strategy was issued in 2005. The Strategy has been prepared by the North East Assembly, in liaison with local authorities and other regional stakeholders, and will replace existing Regional Planning Guidance for the North East. Following public consultation, the final Strategy will follow and is likely to be adopted in 2007.

The Strategy will determine how much development will take place in the region to 2021 and beyond, and where it will be located. It provides the long term framework for the region. Policy 32 states strategies, plans and programmes should:

- Improve inclusivity.
- Provide sufficient range, type, size and tenure of dwellings.
- Be informed by up-to-date housing assessment.
- Ensure dwellings are served by public transport and are accessible to jobs, services and facilities.

LOCAL PLANNING POLICY

Borough Local Plan (1996)

The Borough Local Plan was adopted in 1996.

Policy H19 allows for the provision of affordable housing on allocated sites, provided that a need can be demonstrated. In addition, it seeks an appropriate variety of house types and sizes.

Use of Section 106 Agreements to Deliver Affordable Housing

The provision of affordable housing through the planning system is becoming increasingly important. Reduced public funding through the Social Housing Grant, and difficulties faced by registered social landlords in locating and acquiring sites, are a major constraint in delivery.

Local planning authorities, through the use of Section 106 agreements, can increase the provision of affordable homes by negotiating contributions from private developers, and Registered Social Landlords increasingly depend on land acquired through Section 106 agreements.

A Section 106 agreement is essentially a legally binding agreement between the local authority and persons with an interest in the land, typically a developer. Section 106 agreements run with the land, not the applicant, and are used to secure matters necessary to make an application acceptable, but which could not be secured through the imposition of planning conditions. For example, an agreement would prescribe the nature of a development by requiring that a proportion of housing is affordable.

Section 106 agreements, also known as planning obligations, are used to achieve a variety of planning gain, such as commuted sums for off-site play provision and for the provision of landscaping.

Circular 05/2005 sets out five tests that must be satisfied in order for planning obligations to be required:

1. Relevant to planning;

2. Necessary to make the proposed development acceptable in planning terms (such as bringing a development in line with the objectives of planning policy for the provision of affordable housing);
3. Directly related to the proposed development (either by a functional or geographical link);
4. Fairly and reasonably related in scale and kind to the proposed development (such as the developer contributing to or providing additional infrastructure provision, as long as the contribution is related in scale to the impact of the development); and
5. Reasonable in all other respects.

Planning obligations should not be used to resolve existing deficiencies, for example in infrastructure provision. The tests have been established to ensure that planning permission is not bought or sold and it is not legitimate for unacceptable development to be permitted because a developer has offered benefits or inducements.

Circular 05/2005

Circular 05/2005 advises on all aspects of planning gain, but makes it clear that for Section 106 agreements to be relied upon local plan policies are crucial in justifying and seeking a planning obligation. Without a relevant and clear policy, the ability to secure affordable housing through a Section 106 agreement would be extremely difficult.

The Circular advises that planning obligation policies need to be included in Local Development Frameworks, with the detail being set out in a Supplementary Planning Document. The requirement for affordable housing through a Section 106 agreement must be in line with Local Development Framework (LDF) policy. LDF policy must identify need and set a size threshold over which a proportion of affordable housing would be provided.

A Section 106 agreement can ensure that affordable housing is provided on site and is retained in perpetuity. On the signing of a Section 106 agreement, it is recorded as a local land charge, ensuring any future purchaser of the site or property is aware of the agreement and its content.

A clear policy makes it easier to negotiate a Section 106 agreement and ensures developers have a clear understanding of what is required from the outset. It is vital that the Section 106 system is fast, predictable, transparent and accountable and that developers are able to predict as accurately as possible the likely contributions they will be asked to make through planning obligations and therefore anticipate the financial implications for developments.

Consequently, it is essential that the local planning authority and the developer have pre-application discussions and that the local planning authority has detailed a clear procedure to ensure a predictable process.

The Review Group was advised of future developments that might impact on the use of Section 106 agreements in achieving planning gain, including a Planning Gain Supplement, essentially a development tax paid to the Treasury. If introduced, the impact on achieving planning gain at a local level could be severely affected. Whilst the provision of affordable housing at a local level would still be sought via Section 106 agreements, the implementation and impact of such a tax is not yet known.

Defining Affordable Housing

In order to deliver affordable housing in Sedgefield Borough, a clear definition is essential.

A robust evidence-base, which takes into account housing costs and household incomes, and captures intelligence in terms of price and demand, is crucial. A number of national databases, based on Land Registry records, provide information that could be used to inform policy, utilising national models of good practice.

Examples of definitions, including the Housing Needs Survey (2003) and Government Office for the North East (2005), were considered.

Housing Needs Survey 2003

“Affordable housing is that provided, with subsidy, both for rent and low cost market housing, for people who are unable to resolve their housing requirements in the general housing market because of the relationship between local housing costs and incomes.”

Government Office for the North East 2005

“Housing provided at a cost considered affordable in relation to average incomes or the price of general market housing. Sometimes considered as falling into two sub-categories: “social housing” - where rent levels are set in line with the Government’s rent influencing regime; and “intermediate housing” - a mix of low cost home ownership products (for example shared ownership) and other reduced cost rental products primarily in the form of key worker housing.”

The Review Group explored whether a definition for Sedgefield Borough should be Borough-wide, split into an east/west divide, or be specific to the Borough Council’s five area forum areas. It was agreed that a definition of what is affordable in Sedgefield Borough should:

- be Borough-wide.
- be comprehensive and not favour one particular form of tenure.
- encompass social rented and intermediary housing.
- consider housing costs and incomes.
- ensure homes are provided in perpetuity.
- ensure homes are fully integrated and are pepper-potted throughout the development.

A local definition of affordable housing in Sedgefield Borough was agreed, as follows:

“Affordable housing is that which can be afforded to meet the needs of a household who are unable to resolve their housing requirements in the open housing market, due to the relationship between local incomes and house or rental prices in the open housing market.”

“Affordable housing consists of either “social housing” whose rent levels are set in line with Government rent policy, and “intermediary housing” such as shared ownership/reduced rental products that enable households to own part of their property.

“Affordable housing should be provided on the development site ensuring that they are integrated with open market value housing and they remain affordable in perpetuity.”

Delivering Affordable Housing

Affordable housing provision in the Borough can only be delivered through:

- The availability of high quality evidence
- Use of policy/legal tools
- Strong partnership working
- Effective use of existing housing stock

HIGH QUALITY EVIDENCE

Whilst the provision of affordable housing is an emerging issue for the Borough, demand is not consistent across the Borough. For example, Newton Aycliffe does not experience the same affordable housing issues as Spennymoor or some of the smaller villages.

Decisions on affordable housing require quality evidence. This includes:

- Housing Needs Study
- House price data
- Income data
- Demographic information
- Housing demand information
- Available land and house building trends

USE OF POLICY/LEGAL TOOLS

Policy and legal tools are available for the Council to start to address the issue of affordable housing, if used effectively.

This includes the use of Section 106 agreements, an effective housing allocations policy and development of a Supplementary Planning Document on Affordable Housing.

STRONG PARTNERSHIP WORKING

The work of the Review Group will contribute towards the Authority's response to the issue of affordable housing in the future.

It was strongly recognised, however, that affordable housing cannot be delivered by one department in isolation and a cross-cutting approach, involving housing, planning and legal sections is required.

This needs to be supported by strong partnership working with external organisations and agencies, including the Regional Housing Board, registered social landlords, landowners, developers, local communities and local councillors to develop the Authority's enabling role.

EFFECTIVE USE OF EXISTING HOUSING STOCK

Effective use of existing housing stock, including local authority, privately rented and registered social landlord stock, is essential.

At the same time, the regeneration of low demand and unpopular areas of housing is vital.

WHAT CAN WE LEARN FROM OTHERS?

Identifying and comparing schemes from other local authorities and organisations is beneficial in ensuring affordable housing policies are implemented as effectively as possible.

The Review Group's visit to Tees Valley Housing identified a number of aspects that could be adapted to suit needs within Sedgefield Borough. The visit particularly demonstrated that:

- Affordable housing can include specialist housing for clients/communities. This may be an issue for some areas of the Borough, e.g. low demand areas.
- Not all older-person accommodation must be bungalow accommodation, e.g. high density accommodation provided through self-contained flats.
- Affordable housing should look the same as other housing, with no differentiation between rented units, shared-ownership housing and outright house purchase on a development.
- Shared ownership solutions can deliver older-person housing as well as other housing.

Housing Land Development Costs

Known development costs tend to be standard across development sites and developers should generally be aware of these costs when tendering for a site. Examples include site preparation, retaining walls, piling, highway works etc.

The experiences of other authorities has raised issues about known development costs and illustrated the need to make developers aware of the requirement to account for known housing development costs in their land acquisition. It is important to ensure that developers do not assume that they can negotiate a reduction in the affordable housing requirement after site acquisition.

At the same time, it is acknowledged that unknown development costs are a separate issue and a pragmatic approach will be required in responding to unknown development costs that were not known at the time the site was acquired and which cannot subsequently be recouped through the sale of units. These costs would have to be agreed through a confidential open book financial assessment between the Borough Council and the developer.

CONCLUSIONS AND RECOMMENDATIONS

The housing market in Sedgefield Borough has changed significantly over the last 3 years, with rapid increases in house prices and increased demand for social housing. The provision of sustainable communities, with a mix of tenure and house types, is a key strategic issue for the Borough.

The conclusions of the Review Group are focused on four main themes:

- Defining Affordable Housing
- Intelligence
- Effective Use of Existing Housing Stock
- Delivering New Build Housing

DEFINING AFFORDABLE HOUSING

It is a matter for each local authority to determine what affordable housing is and definitions will inevitably vary, depending upon the local area and local circumstances.

Affordable housing is that which can be afforded to meet the needs of a household who are unable to resolve their housing requirements in the open housing market, due to the relationship between local incomes and house or rental prices in the open housing market. Affordable housing consists of either “social housing”, whose rent levels are set in line with Government rent policy, and “intermediary housing”, such as shared ownership/reduced rental products, which enable households to own part of their property.

It is important to produce a very clear definition of affordable housing within Sedgefield, which provides clarity to developers.

The Review Group concluded that a definition of affordable housing within Sedgefield Borough should:

- be Borough-wide.
- be comprehensive and not favour one particular form of tenure.
- encompass social rented and intermediary housing.
- consider housing costs and incomes.
- ensure homes are provided in perpetuity.
- ensure homes are fully integrated and are pepper-potted throughout a development.

In recognising these factors, the Review Group supported the following local definition of affordable housing:

“Affordable housing is that which can be afforded to meet the needs of a household who are unable to resolve their housing requirements in the open housing market, due to the relationship between local incomes and house or rental prices in the open housing market.”

“Affordable housing consists of either “social housing” whose rent levels are set in line with Government rent policy, and “intermediary housing” such as shared ownership/reduced rental products that enable households to own part of their property.

“Affordable housing should be provided on the development site ensuring that they are integrated with open market value housing and they remain affordable in perpetuity.”

Key Recommendation

1. The following local definition of affordable housing is adopted by Sedgefield Borough Council:

“Affordable housing is that which can be afforded to meet the needs of a household who are unable to resolve their housing requirements in the open housing market, due to the relationship between local incomes and house or rental prices in the open housing market.

“Affordable housing consists of either “social housing” whose rent levels are set in line with Government rent policy, and “intermediary housing” such as shared ownership/reduced rental products that enable households to own part of their property.

“Affordable housing should be provided on the development site ensuring that they are integrated with open market value housing and they remain affordable in perpetuity.”

INTELLIGENCE

The provision of affordable housing is a material planning consideration. Sedgefield Borough Council needs to demonstrate a need for affordable housing and ensure any scheme satisfies local needs.

Access to high quality information and the use of local intelligence are essential in establishing the evidence-base for the provision of affordable housing within Sedgefield Borough. This includes:

- Housing Needs Study
- House price and local income data
- Land supply and house build data

Housing Needs Study

The Housing Needs Study is a key tool in informing all areas of affordable housing provision, both new build and the use of existing housing stock. The Study would typically cover a five year period.

The Housing Needs Study is becoming out of date and there is a valid concern that the housing market in the Borough has changed considerably since it was last updated. As a result, there is a possibility that developers may challenge the current Housing Needs Study.

Key Recommendation

- 2. The Housing Needs Study is updated during 2007/08 to reflect changes in the housing market and to provide a valid evidence-base to demonstrate affordable housing needs within Sedgefield Borough.**

House Price and Local Income Data

In order to ensure high quality evidence, the availability of current data on house prices and local incomes is essential. The Borough Council should continue to interrogate reliable information sources, such as HM Land Registry.

Recommendation

- 3. Information on house price data and local incomes is continuously monitored and updated and options to improve data available, including suitable software systems, be explored.**

Housing Land Supply and House Build Data

Planning legislation requires all local authorities to annually update housing land supply and house build data. This information is crucial to maintaining an effective, robust and current evidence-base.

Recommendation

- 4. Housing land supply and house build data is continuously reviewed and updated.**

Known Development Costs

Sedgefield Borough Council must ensure developers are aware of the requirement to account for known housing development costs in their land acquisition assessments. The experiences of other authorities demonstrates the importance of ensuring known development costs are considered to prevent developers over-bidding for sites and anticipating a subsequent reduction in the affordable housing requirement after site acquisition.

There is a need to differentiate between known and unknown development costs. Whilst known development costs tend to be standard across development sites, the Borough Council needs to take a pragmatic approach in responding to unknown development costs, i.e. those costs not known at the time the site was acquired and which cannot subsequently be recouped through the sale of units.

Exceptional Circumstances

In addition, there may be exceptional circumstances to justify a reduced provision, or even no provision at all. This could be acceptable through the provision of a detailed financial appraisal that accompanies the planning application.

It is important that this financial appraisal is independently assessed when considering individual development sites where unknown development costs are a key issue.

Recommendation

- 5. Arrangements are made to secure access to independent specialist support for site-specific cases, in relation to individual development sites where unknown development costs are a key issue.**

EFFECTIVE USE OF EXISTING HOUSING STOCK

In order to ensure that local needs are met, accurate and current data on the demand for Council housing stock, homelessness statistics and the number of void properties is essential.

Approximately 3,000 people are presently registered on Sedgefield Borough Council's housing waiting list. The Borough Council's allocations policy was last reviewed in 2002, following which the housing market in the Borough has changed considerably. In order to ensure effective use of local authority housing stock, the allocations policy should be periodically reviewed.

There are almost 1,600 properties in the registered social landlord sector within Sedgefield Borough. In order to provide access to registered social landlord stock to meet housing requirements within the Borough, effective engagement with this sector is needed.

Over 700 private sector properties within the Borough have been empty for 6 months or more. Clearing and reusing land and/or bringing empty properties back into use can make an effective contribution to meeting housing needs within the area.

Recommendations

- 6. The Council's housing allocations policy is kept under review to ensure it meets local circumstances and needs prior to the implementation of the Choice Based Lettings Scheme.**
- 7. The Borough Council formalises links with the registered social landlord sector in respect of nominations.**
- 8. Sedgefield Borough Council works to ensure the effective use of private sector stock through regeneration and action to bring empty properties back into use.**

DELIVERING NEW BUILD HOUSING

Section 106 Agreements

The number of affordable homes required in the Borough exceeds current production. Local planning authorities can increase the provision of affordable homes by negotiating contributions from private developers through the use of Section 106 agreements.

A Section 106 agreement is a legally binding agreement between the local authority and persons with an interest in the land, usually the developer, which runs with the land not the applicant. A Section 106 agreement is used to make an application acceptable that would have otherwise been unacceptable in planning terms.

A clear policy will assist negotiation of a Section 106 agreement, ensuring developers have a clear understanding of what is required of them from the outset. It is vital that the Section 106 system is fast, predictable, transparent and accountable and that developers are able to accurately predict the likely contributions required through planning obligations and therefore are able to anticipate the financial implications for developments.

It is essential that the local planning authority and developer have pre-application discussions and that the local planning authority has a clear procedure to ensure a predictable process.

There is a need to provide a strong planning policy document to cover this issue, based on the findings of the review process.

Key Recommendations

- 9. A Supplementary Planning Document on Affordable Housing is developed for Sedgefield Borough by September 2007.**
- 10. The Borough Council's Planning and Legal Sections work jointly to produce a model Section 106 agreement, based on good practice guidance.**

Effective Use of Sedgefield Borough Council's Resources

Sedgefield Borough Council can use its own resources - financial and land - to assist in addressing the need for affordable housing.

Recommendation

- 11. The effective use of Borough Council resources (financial and land) be reviewed, linked to the delivery of affordable housing in areas of high housing need, when necessary.**

Enabling Role

There are a number of potential development sites across the Borough where the landowner may not have the capacity to present and pursue a site for housing. The Borough Council can assist in such circumstances, undertaking a role in enabling sites to come forward for affordable housing.

Recommendation

- 12. The Borough Council assumes a role in enabling potential development sites to come forward for affordable housing to meet housing needs when appropriate.**